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# GAIN Report

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## Malaysia

## Oilseeds and Products

## Update (February)

**2004**

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**Report Highlights:**

Malaysia's CPO production dropped 22.7 percent to 876 TMT in January 2003. Carry-over stock level at the end of January also dropped to 1.1 MMT. PO exports rose to 910 TMT in January. Average local CPO price rose from US\$471/MT in January to US\$503/MT in February.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Kuala Lumpur [MY1]  
[MY]

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## Executive Summary

### Production

The Malaysian Palm Oil Board (MPOB) reported that total crude palm oil (CPO) production dropped by 22.7 percent to 876 TMT in January 2003. Output in the Peninsula declined by 25 percent in January while East Malaysia's production is down 19 percent. Compared to January 2003, output during January 2004 was 1.5 percent higher.

### Price

Local PO prices basically rose in tandem with the global soy oil prices during the month of February. The monthly average CPO price rose from US\$471/MT in January to US\$503/MT in February 2004. For comparison, the average CPO price for February 2002 was US\$426/MT. The RBD Palm Oil FOB average price also rose from US\$481/MT in January to US\$513/MT in February.

### Stocks

A sharp decrease in domestic CPO output and stronger PO exports resulted in the PO stock level dropping to 1.1 MMT at the end of January. With the anticipation of further decline in PO output in the next few months, Post expects carry-over stock levels to drop to around 1.0 MMT by the end of Jan-Mar quarter.

### Trade

Preliminary official PO exports rose from 870 TMT in December to 910 TMT in January.

**Annual Situation**

PS&D table for palm oil remains unchanged since the submission of MY3058.

	Revised 2001/02	Prelim 2002/03	Forecast 2003/04
(1,000 tons)			
Beg Stock	1,216	1,149	975
Production	11,858	13,180	13,700
Imports	325	436	350
Total Supply	13,399	14,765	15,025
Exports	10,163	12,076	11,500
Domestic Use	2,087	1,714	2,425
Ending Stock	1,149	975	1,100

## Quarterly Outlook for Palm Oil

	2002 1/	2003 2/	2003 1/	2004 1/
	Oct-Dec	Oct-Dec	Jan-Mar	Jan-Mar
	(1,000 tons)			
Beg Stocks 3/	1149	975	1136	1165
Prod- Pen. Mal	1811	1876	1590	1655
- East Mal	1395	1504	1024	1245
- Total	3206	3380	2614	2900
Imports	139	161	147	150
Total Supply	4494	4516	3897	4215
Exports 4/	2925	3040	2504	2790
Dom Disap 5/	433	311	382	425
End Stocks	1136	1165	1011	1000

1/ Revised;

2/ Forecast;

3/ Stocks including crude and refined for all Malaysia;

4/ Exports exclude shipments of fatty acid oil distillate  
and all intra-Malaysia trade;

5/ residual

**Production**

	2002	2003	2003	2003 1/	2004
	Jan-Dec	Jan	Jan-Dec	Dec	Jan
(In 1,000 MT)					
CPO:					
Pen. Malaysia	7017	498	7944	655	492
East Malaysia	4890	365	5409	477	384
- Total /1	11907	863	13353	1132	876
Palm Kernel : Malaysia	3267	242	3626	309	239
Palm Kernel Oil: Malaysia	1472	118	1535	138	112
Palm Kernel Meal: Malaysia	1715	138	1910	161	130

1/ Revised

**Prices**

(Crude delivered basis; RBD Oils in Bulk, FOB Malaysia)

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
Feb 2003	1617	434	449	395
Mar	1503	410	421	372
Apr	1460	400	415	355
May	1480	402	424	339
Jun	1513	416	441	342
Jul	1500	414	442	338
Aug	1393	393	420	317
Sep	1439	400	427	320
Oct	1663	455	472	408
Nov	1855	501	526	457
Dec	1829	501	513	458
Jan 1/	1790	481	493	464
Feb 2004(till 27)	1910	513	528	467

1/ Revised

Exchange Rate: Pegged at RM3.799 to US\$1.00 since 1998

**Stock**

	2003	2003	2003	2004
	Jan	Nov	Dec 1/	Jan
(In 1,000 MT)				
Crude P. Oil	529	464	594	537
Processed PO	571	456	572	537
- Total PO	1100	920	1166	1074
Palm Kernel	107	109	112	103
P. Kernel Oil	279	168	170	164